

Operational Risk Register

Introduction

Risk Management is an essential element of corporate governance arrangements. The process of risk management allows the Council to identify, prioritise and mitigate risks which may have a negative effect on services. This is an important and underpinning process which ensures good value for money and also continuity of services.

Risks are recognised as essential management information and so contribute towards decision making. This document lists all those risks which are considered operational in nature – in other words those risks that could have an impact within an operational area and require control at operational level.

This Operational Risks Register is reviewed and updated every quarter by Operational Leads. Risks above the line of tolerance are a priority and so are reviewed every quarter – whilst those below tolerance are reviewed once a year.

Summary for Quarter 4 2020/21

Following a review of the Operational Risk Register during Quarter 4 2020/21 it can be seen that 35 of 110 risks (32%) are positioned above risk appetite/tolerance. This number has been influenced by pressures brought about by Covid-19.

[Page 2 explains the Risk Matrix](#) showing Likelihood/Impact scales and green/blue risk tolerance zones.

[Page 3 contains the Operational Risk Register](#) displaying all operational risks above risk tolerance.

How to understand the Risk Matrix:

This register contains the Council's Operational Risks which lay above the line of risk appetite/tolerance. Each risk is plotted on a risk matrix to show degree of likelihood and impact. The greater the likelihood and impact the higher the priority for management. Those risks which lay above the line of 'risk appetite' can be seen in the blue zone of the matrix. These risks are a priority for management and are reviewed every quarter. Risks below the risk appetite, in the green zone, are a lower priority and so are reviewed on an annual basis.

Likelihood	High					Risks positioned in the blue zone of the risk matrix are above 'risk appetite' (high priority) and require quarterly mitigation and management. Mitigation updates are listed for these risks.
	Medium			X ←		
	Low		X ←			Risks positioned in the green zone of the risk matrix are below 'risk appetite' (lower priority) and require an annual review in Quarter Four.
	Very Low					
		Negligible	Marginal	Serious	Critical	
	Impact					

Operational Risk Register

Below are presented the Council's Operational Risks which lay above the line of risk appetite/tolerance.

Operational Lead Area	Risk No.	Name	Description	Current Likelihood	Current Impact	Overall Current Score	Risk Appetite & Review Frequency	Target Likelihood	Target Impact	Overall Target Score	Target due date	Mitigations and their due dates	History of improvement	Officer Owner	Portfolio Owner
Case Management	5	Increased service demand for Land Charges services and service resilience.	New requirements on Land Charges has increased workloads - for example around exemptions and stamp duty. In addition there have also been challenges around delivery capacity. Increased level of complaints.	3	3	9	Above - review each quarter	2	2	4	31/03/2021	Extension of stamp duty still impacting. Additional CM capacity employed temporarily. High levels of workload still being experienced. Temporary Specialist employed to cover maternity leave. Some small process improvements being made. Payment integration with ESB will have positive impact on workload.	Risk identified during risk review of 07/09/20. 03/03/21: Risk review indicates likelihood has reduced to score 3, additional mitigations in place.	Operational Lead Case Management	Deputy Leader - Housing and Innovation
Case Management	6	Resource intensive manual recording and paper based processes in bereavement services, lack of Specialist knowledge	Risk of inefficiency and errors with reputational and financial risks	2	4	8	Above - review each quarter	2	2	4	01/12/2021	Process improvements introduced. Case management system on procurement register for 21/22. CM Op Lead and CM and CM TL undergone significant training. ICCM Consultant providing regular support. Bereavement Specialist role approved and recruited.	Risk entered on to Operational Risk Register 30/09/20. 03/03/21: Risk review indicates likelihood has improved to score 2, additional mitigations in place.	Operational Lead Case Management	Deputy Leader - Housing and Innovation
Case Management	8	Digital technology and development required to enable full transition to new operating model.	Speed of digital development and self-serve availability impacts on ability to transition into new working model and places additional pressure in many areas	3	3	9	Above - review each quarter	2	2	4	01/12/2021	Some elements of self-serve now live for Revs and Bens - hard launch 15.03.2021. ESB payment integration due for completion in April. Some self-serve options available but not enough to make significant impact across all areas.	Risk entered on to Operational Risk Register 30/09/20. 03/03/21: Risk review indicates no change to risk, mitigations enhanced.	Operational Lead Case Management	Deputy Leader - Housing and Innovation

Case Management	9	Service redesign resources to enable transition to new operating model.	Significant requirement continues for service redesign which enables full transition to new ways of working. Availability of skilled process redesign slows transition.	3	3	9	Above - review each quarter	2	2	4	01/12/2021	Customer Connect transition board resumed. Efforts refocused and timeline for delivery. BA recruitment underway.	Risk entered on to Operational Risk Register 30/09/20. 03/03/21: Risk review indicates no change to risk, mitigations enhanced.	Operational Lead Case Management	Deputy Leader - Housing and Innovation
Case Management	12	Resilience in key service areas	A number of service areas within case management are dependent upon the knowledge of one person. Resilience is low with no capacity to allow working across more than one service area aligned with the working model due to current workloads and knowledge. Risk of key person absence and inadequate knowledge to deliver.	3	3	9	Above - review each quarter	2	2	4	01/12/2021	knowledge transfer and resilience building where capacity allows	Risk entered on to Operational Risk Register 30/09/20. 03/03/21: Risk review indicates that likelihood has improved to score 3, mitigations listed.	Operational Lead Case Management	Deputy Leader - Housing and Innovation
Case Management	14	Relationships between job families	Ongoing development required between the job families to ensure efficient handovers and inputs to casework and full understanding and development of roles. Relationships between job families are important to progress transition and new ways of working.	3	3	9	Above - review each quarter	2	2	4	01/12/2021	Ongoing work to progress transition.	Risk entered on to Operational Risk Register 30/09/20. 03/03/21: Risk review indicates that risk remains unchanged.	Operational Lead Case Management	Deputy Leader - Housing and Innovation
Case Management	15	Team Leader Capacity	Team leaders are managing large teams through transition whilst under pressure to complete case management activity. Risk to capacity to manage teams, progress transition and familiarise with activity.	3	3	9	Above - review each quarter	2	2	4	01/12/2021	Ongoing - measures put in place to allow some team leaders capacity to manage teams	Risk entered on to Operational Risk Register 30/09/20. 03/03/21: Risk review indicates that likelihood has improved to 3 and impact improved to 3, mitigations listed.	Operational Lead Case Management	Deputy Leader - Housing and Innovation
Case Management	16	Staff Welfare	Potential for increased sickness absence and increased workloads. Risk of reduced staff morale and retention within Case Management.	3	3	9	Above - review each quarter	2	2	4	01/12/2021	Monitoring capacity within teams. Support transition activity. Monitor health and welfare within teams.	Risk entered on to Operational Risk Register 30/09/20. 03/03/21: Risk review indicates that risk remains unchanged, mitigations listed.	Operational Lead Case Management	Deputy Leader - Housing and Innovation
Finance	0.4	Budget savings not identified and/or achieved (linked to Strategic Risk 06 Medium Term Financial Planning.)	Please refer to the specific risk register for Medium Term Financial Planning. This register is located with Financial Services.	3	3	9	Above - review each quarter	2	2	4	31/03/2022	Progress with budget savings are reported quarterly as part of corporate financial monitoring. Realistic projections of income and expenditure, including government funding proposals. Identify deliverable savings and new income streams. Monitor and resource delivery. All mitigations in place.	14/03/18: Review indicates that the current risk has reduced in terms of likelihood due to a reduction in target value and progress made through Customer Connect. 21/03/19: Review indicates that the risk remains unchanged. 02/03/21: Review indicates that likelihood is increased to 3 due to delays in Gov funding changes - and organisational capacity limited by Covid. Risk now above appetite.	Finance Lead Specialist	Finance and Resources

Human Resources	5	Risk that staff objectives are not aligned with the Council Plan	Whilst the Council Plan is an external-facing programme, greater clarity may be needed to translate into clear objectives for SLDC employees. Without greater clarity activities may not be aligned.	3	3	9	Above - review each quarter	2	2	4	31/03/2021	Close working with Strategy during the Council Plan review process. Meeting in place 31/03/21 to discuss performance management and measurement. New appraisal process to be introduced from April 2021.	04/08/20: Risk identified. 10/12/20: Risk reviewed - risk position unchanged - mitigation around close working added. 03/03/21: Risk review indicates that risk remains unchanged, mitigations added.	Lead HR Specialist	Finance and Resources
Legal, Governance and Democracy	1	Windermere lake encroachment debt recovery does not significantly reduce the amounts outstanding.	Reputational risk to Legal Services. Risk of insufficient resource for recovery. Challenges have been made. Debts require significant Legal, Finance and Lambert Smith Hampton work in every case. Impact on unrecovered debts.	3	3	9	Above - review each quarter	2	3	6	31/03/2020	Regular progress reports to senior officers and members. Reports to Lake Admin Committee and Audit Committee. Regular 1-1 item with Assistant Director Resources. All mitigations in place.	29/03/18: Reviewed. Significant improvements have been made in relation to this risk. However the risk remains unchanged until the impact of such improvements has been monitored. 14/03/19: Review indicates that debt has been reduced significantly and is within corporate recovery rates. Vacancies will require maintaining - the risk position therefore remains unchanged in the short term. 08/03/2021: Risk review indicates no change to risk position.	Lead Specialist - Legal Governance Democracy	Finance and Resources
Legal, Governance and Democracy	6	Lack of Case Management system results in inefficiency and errors	The new organisational model requires the implementation of a legal case management system. Without a Case Management system working is not sustainable, effective or efficient. This results in increased pressure on the team.	4	3	12	Above - review each quarter	2	2	4	31/03/2021	Focused support on legal filing with case management team. Awaiting feedback from IT prioritisation on case management system. Purchase of off shelf case management system. Report and Action Plan in development with ICT with current system Info@Work.	26/08/20: Risk entered onto risk register. 08/03/2021: Risk review resets likelihood from score 3 to score 4 to reflect current impacts - additional existing mitigation around report and action plan listed.	Lead Specialist - Legal Governance Democracy	Finance and Resources
Service Delivery and Commercial Services	13	Recession – Impact on Parking/ Lake fees and charges, impact on income from commercial units.	Covid-19 economic impact on fees and charges which provide an income to the Council	3	3	9	Above - review each quarter	2	3	6	31/03/2021	Review fees and charges throughout financial year 2021/22. Reviews keep up to date with Government subsidies for loss of income.	Risk identified Oct 2020. 14/12/2020: risk reviewed - remains unchanged in terms of position. 03/03/21: Risk review indicates no change to risk scores, mitigations added.	Operational Lead - Delivery and Commercial Services	Finance and Resources
Service Delivery and Commercial Services	14	Coronavirus - Second peak leads to further pressure on delivery teams, in particular, Street scene.	A second Covid-19 wave could lead to further pressures on services especially Street Scene.	3	3	9	Above - review each quarter	2	2	4	31/12/2020	Action place to put in place and implemented as and when required. Robust action plan in place to prioritise key services. Five stage plan has been prepared.	Risk identified Oct 2020. 14/12/2020: risk reviewed - remains unchanged in terms of position. 03/03/21: Risk review indicates no change to risk scores, mitigations added.	Operational Lead - Delivery and Commercial Services	Finance and Resources

Service Delivery and Commercial Services	16	Disruption due to County/ District Council restructure – Impacts on the service.	Services may be impacted by future local government restructuring	2	4	8	Above - review each quarter	2	3	6	31/12/2021	Possible escalation to Strategic Risk Register	Risk identified Oct 2020. 14/12/2020: risk reviewed - remains unchanged in terms of position. . 03/03/21: Risk review indicates no change to risk scores.	Operational Lead - Delivery and Commercial Services	Leader - Promoting South Lakeland
Strategy	1	Risk that too much knowledge and strategic expertise is vested in one person	Too much knowledge and strategic expertise is vested in one person. There is a need to increase skills and knowledge across the team and key staff.	3	3	9	Above - review each quarter	3	2	6	Sep-21	Review capacity issues by March 2021. If not possible then escalation of risk in March 2021. Review of strategy and commissioning performance functions currently underway.	04/08/20: risk identified. 07/12/20: risk reviewed - risk position remains unchanged. 03/03/21: Risk review indicates that risk remains unchanged, additional mitigations added.	Strategy	Deputy Leader - Housing and Innovation
Strategy	3	Risk that non-strategic issues and projects lead to loss of strategic focus	Key roles are spending significant time on detailed / operational activity. This can detract from focus on strategic activity.	3	3	9	Above - review each quarter	2	2	4	Sep-21	Commissioning Strategy provides a systematic approach to prioritisation - to be adopted by services in next 12months. Increased capacity in other services. Locality is maintaining support with staff resource to assist with strategic function.	04/08/20: risk identified. 07/12/20: risk reviewed - risk position remains unchanged. 03/03/21: Risk review indicates that risk remains unchanged, additional mitigations added.	Strategy	Leader - Promoting South Lakeland
Strategy	5	Risk that key staff may seek employment elsewhere if career opportunities are insufficient.	Career opportunities are important for the retention of Key staff.	4	3	12	Above - review each quarter	2	2	4	Mar-21	Consider scope to review T&C and career prospects within service.	04/08/20: risk identified. 03/03/21: Risk review indicates that likelihood has increased to score 4.	Strategy	Deputy Leader - Housing and Innovation
Strategy	6	Impact on skills and resources under any future government reform	Government reforms bring about uncertainties for skills and resources. Councils will be required to produce design codes requiring architectural design skills.	4	3	12	Above - review each quarter	3	1	3	Dec-21	Monitor progress with planning reforms	18/08/20: risk identified. 07/12/20: risk reviewed - risk position set. 03/03/21: Risk review increases likelihood to score 4 and impact to score 3 - now that it is clear that councils will be required to produce design codes and that these will require architectural design skills to produce, risk now above appetite.	Strategy	Leader - Promoting South Lakeland
Finance	5	Treasury Management - investment losses	Investment placed with counterparty not on confirmed list or limit exceeded. Potential to lose money invested	2	4	8	Above - review each quarter	1	4	4	Mar-22	Consult counterparty list before making investment	Risk transferred to organisational operational risk register 20/08/20. 09/12/2021: risk reviewed - position unchanged. 02/03/21: Review indicates that risk is unchanged.	Finance Lead Specialist	Finance and Resources
Finance	9	Procurement - legal challenge	Procurement exercise non-compliant with legislation. Possible risk of legal challenge and damage to the Council's reputation	3	3	9	Above - review each quarter	2	2	4	Mar-22	Ensure relevant officers are suitably trained to understand the implications of new and existing legislation. Involve Procurement in	Risk transferred to organisational operational risk register 20/08/20. 09/12/2021: risk reviewed - position unchanged. 02/03/21: Review indicates that risk is unchanged.	Finance Lead Specialist	Finance and Resources

												complex or high value procurement exercises			
Finance	11	Procurement - skills	Procurement skills in line with procurement practices	3	3	9	Above - review each quarter	2	2	4	Mar-22	Ensure relevant officers are suitably trained to understand the implications of new and existing legislation, and expected standards of practice	Risk transferred to organisational operational risk register 20/08/20. 09/12/2021: risk reviewed - position unchanged. 02/03/21: Review indicates that risk is unchanged.	Finance Lead Specialist	Finance and Resources
Finance	12	Procurement - budgets	Potential for final quotation/tender prices to be higher than anticipated, possibly exceeding budgets.	3	3	9	Above - review each quarter	2	2	4	Mar-22	Ensure officers are available with the skills to provide accurate estimations. Conduct market consultations for anticipated costs.	Risk transferred to organisational operational risk register 20/08/20. 02/03/21: Review indicates impact increased to 3 due to volatility of market during Covid. Risk now above appetite.	Finance Lead Specialist	Finance and Resources
Finance	15	Contract Management - effectiveness	Contract outcomes not achieved.	3	3	9	Above - review each quarter	2	2	4	Mar-22	Legal are involved in the development of contracts	Risk transferred to organisational operational risk register 20/08/20. 09/12/2021: risk reviewed - position unchanged. 02/03/21: Review indicates that risk is unchanged.	Finance Lead Specialist	Finance and Resources
Finance	16	Contract Management - deviations from contract	A contractor deviates from the expectations laid out in the contract. Outcomes not achieved with possible reputational and political implications	3	3	9	Above - review each quarter	2	2	4	Mar-22	Ensure robust contract management of all contracts which are high risk or value	Risk transferred to organisational operational risk register 20/08/20. 09/12/2021: risk reviewed - position unchanged. 02/03/21: Review indicates that risk is unchanged.	Finance Lead Specialist	Finance and Resources
Finance	17	Contract Management - consistency	Risk that standard of contract management varies across the authority. Contracts delivering best value for the authority.	3	3	9	Above - review each quarter	2	2	4	Mar-22	Contract Management Group meet quarterly to ensure universal standards and an improved approach to contract management. Regular training available to all applicable officers to ensure the necessary skills.	Risk transferred to organisational operational risk register 20/08/20. 09/12/2021: risk reviewed - position unchanged. 02/03/21: Review indicates that risk is unchanged.	Finance Lead Specialist	Finance and Resources
Finance	19	Systems - failure	System failure/disruption. Large volumes of transactions require processing on time. Large volumes of transactions may need to be processed manually.	3	3	9	Above - review each quarter	2	3	6	Mar-22	Review of back up and contingency planning	Risk transferred to organisational operational risk register 20/08/20. 09/12/2021: risk reviewed - position unchanged. 02/03/21: Review indicates that risk is unchanged.	Finance Lead Specialist	Finance and Resources
Locality and Customer Service	1	Training - supervisory roles	Training for supervisory skills	3	3	9	Above - review each quarter	2	2	4	31/03/2022	Training complete. Further supervisory training is being arranged.	14/12/2021: Risk identification, analysis and prioritisation. 02/03/21: Mitigations in place, Training completed and further planned. Risk score improved to 9.	Customer and Locality Services	Customer, Commercial Services and People

Locality and Customer Service	5	CSA Team training	Training for CSA's may not be sufficient	3	4	12	Above - review each quarter	2	2	4	31/03/2022	Monitoring training	14/12/2021: Risk identification, analysis and prioritisation. 02/03/21: Risk reviewed Q4 - position remains unchanged	Customer and Locality Services	Customer, Commercial Services and People
Locality and Customer Service	9	Health and wellbeing - BAU	Health & Wellbeing – risk of staff absence.	3	3	9	Above - review each quarter	1	2	2	31/03/2022	Capacity monitoring and work prioritisation.	14/12/2021: Risk identification, analysis and prioritisation. 02/03/21: Risk reviewed Q4 - risk has increased. Risk score increased to 9 and is now above appetite.	Customer and Locality Services	Customer, Commercial Services and People
Locality and Customer Service	15	Communications - responding to service requests	Communications – risk of inadequate officer response in reception upon CSA request	3	3	9	Above - review each quarter	2	2	4	31/07/2021	Decide on additional mitigations required.	14/12/2021: Risk identification, analysis and prioritisation. 02/03/21: Risk reviewed Q4 - position remains unchanged	Customer and Locality Services	Customer, Commercial Services and People
Locality and Customer Service	16	Communications - services briefing CSA team	Communications – briefings for CSA team for call handling purposes.	3	3	9	Above - review each quarter	2	2	4	31/07/2021	Briefings process in place	14/12/2021: Risk identification, analysis and prioritisation. 02/03/21: Risk reviewed Q4 - position remains unchanged	Customer and Locality Services	Customer, Commercial Services and People
Locality and Customer Service	19	Impact of relationships on development speed and plans	Risk of impact on progress with development.	3	4	12	Above - review each quarter	1	2	2	31/12/2021	Development monitoring	14/12/2021: Risk identification, analysis and prioritisation. 02/03/21: Risk reviewed Q4 - position remains unchanged	Customer and Locality Services	Customer, Commercial Services and People
Support Services	1	Delivery of elections under Covid-19 restrictions	Delivery of elections whilst maintaining a Covid-19 secure environment.	4	3	12	Above - review each quarter	4	2	8	06/05/2022	Following electoral commission and public health advice regarding safety for elections.	08/12/2020: risk identified. 03/03/21: Risk prioritisation, existing and required mitigations listed, risk is above appetite.	Operational Lead Support Services	Leader - Promoting South Lakeland
Support Services	5	Technology development negatively impacts on transition to new working model	Delays in digital development and self-serve availability. Delivery of lawful meetings using virtual meetings technology.	3	3	9	Above - review each quarter	1	2	2	31/03/2022	Produced specification for Legal Case Management and HR systems	08/12/2020: risk identified. 03/03/21: Risk prioritisation, existing and required mitigations listed, risk is above appetite.	Operational Lead Support Services	Deputy Leader - Housing and Innovation